

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

	<u>Exhibit</u>	<u>Page</u>
CITY OF DETROIT ORGANIZATION CHART		I-1
OFFICIALS OF THE CITY OF DETROIT		I-2
LETTER OF TRANSMITTAL		I-3
AUDITOR GENERAL'S LETTER		I-13

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT		1
GENERAL PURPOSE FINANCIAL STATEMENTS:		
Combined Balance Sheet — All Funds, Account Groups and Discretely Presented Component Units.....	AAA-1	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances — All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units.....	AAA-2	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual — General, Special Revenue Funds, and Debt Service Fund.....	AAA-3	10
Combined Statement of Revenues, Expenses and Changes in Equity — All Proprietary Fund Types and Discretely Presented Component Units.....	AAA-4	12
Combined Statement of Cash Flows — All Proprietary Fund Types and Discretely Presented Component Units	AAA-5	13
Combined Statement of Changes in Plan Net Assets — Retirement Systems.....	AAA-6	14
Notes to General Purpose Financial Statements:		
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES		
A. Reporting Entity		15
B. Measurement Focus, Basis of Accounting and Basis of Presentation.....		21
C. Assets, Liabilities and Equity		23
II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY		
A. Budget Process		28
B. Budget Matters		28
C. Fund Balance.....		28
III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS		
A. Cash and Investments		29
B. Due from Other Governmental Agencies		31
C. Interfund Receivables and Payables		31
D. Fixed Assets		32
E. Deferred Revenue		33
F. Deficits		33
G. Long-Term Obligations		33
H. Segment Information-Enterprise Funds.....		48
I. Contributed Capital		50
J. Sewage Disposal and Water Funds Construction Programs		50
K. Defined Benefit Pension Plans and Defined Contribution Annuity Plans		50
L. Agency Funds.....		57
M. Transfers.....		57
IV. OTHER INFORMATION		
A. Contingencies		57
B. General Fund/Risk Management		60
C. Subsequent Events.....		61

TABLE OF CONTENTS

II. FINANCIAL SECTION

(Continued)

	<u>Exhibit</u>	<u>Page</u>
COMBINING, INDIVIDUAL FUND and ACCOUNT GROUP STATEMENTS and SCHEDULES:		
GENERAL FUND		
Balance Sheets	A-1	64
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual...	A-2	66
SPECIAL REVENUE FUNDS:		
Combining Balance Sheet	BBB-1	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	BBB-2	72
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS		
Balance Sheets	B-1	74
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	B-2	75
CONSTRUCTION CODE FUND		
Balance Sheet	C-1	76
Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	C-2	77
DETROIT BUILDING AUTHORITY FUND		
Balance Sheets	D-1	78
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	D-2	79
DRUG LAW ENFORCEMENT FUND		
Balance Sheets	E-1	80
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	E-2	81
EMPOWERMENT ZONE FUND		
Balance Sheets	F-1	82
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	F-2	83
FEDERAL EMPLOYMENT AND TRAINING FUNDS		
Balance Sheets	G-1	84
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	G-2	85
HUMAN SERVICES FUND		
Balance Sheets	H-1	88
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	H-2	89
LIBRARY FUND		
Balance Sheets	I-1	90
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	I-2	91
MAJOR AND LOCAL STREET FUNDS		
Balance Sheets	J-1	92
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	J-2	93
SUPPORTIVE HOUSING PROGRAMS AND HOMELESS INITIATIVES FUND		
Balance Sheets	K-1	94
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	K-2	95

TABLE OF CONTENTS

II. FINANCIAL SECTION

(Continued)

	<u>Exhibit</u>	<u>Page</u>
GENERAL DEBT SERVICE FUND		
Balance Sheets	L-1	98
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual...	L-2	99
CAPITAL PROJECTS FUNDS:		
Combining Balance Sheet	CCC-1	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	CCC-2	103
CAPITAL PROJECTS FUND		
Balance Sheets.....	M-1	104
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	M-2	105
URBAN RENEWAL FUND		
Balance Sheets.....	N-1	108
Statements of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual	N-2	109
ENTERPRISE FUNDS:		
Combining Balance Sheet	DDD-1	112
Combining Statement of Revenues, Expenses and Changes in Equity.....	DDD-2	116
Combining Statement of Cash Flows	DDD-3	118
AIRPORT FUND		
Balance Sheets.....	O-1	120
Statements of Revenues, Expenses and Changes in Equity	O-2	121
Statements of Cash Flows	O-3	122
AUTOMOBILE PARKING FUND		
Balance Sheets.....	P-1	123
Statements of Revenues, Expenses and Changes in Equity	P-2	124
Statements of Cash Flows	P-3	125
HOUSING FUND		
Balance Sheets.....	Q-1	126
Statements of Revenues, Expenses and Changes in Equity	Q-2	127
Statements of Cash Flows	Q-3	128
SEWAGE DISPOSAL FUND		
Balance Sheets.....	R-1	130
Statements of Revenues, Expenses and Changes in Equity	R-2	132
Statements of Cash Flows	R-3	133
TRANSPORTATION FUND		
Balance Sheets.....	S-1	134
Statements of Revenues, Expenses and Changes in Equity	S-2	135
Statements of Cash Flows	S-3	136
WATER FUND		
Balance Sheets.....	T-1	138
Statements of Revenues, Expenses and Changes in Equity	T-2	140
Statements of Cash Flows	T-3	141

TABLE OF CONTENTS

II. FINANCIAL SECTION

(Continued)

	<u>Exhibit</u>	<u>Page</u>
FIDUCIARY FUNDS:		
Combining Balance Sheet	EEE-1	144
Combining Statement of Changes in Plan Net Assets		
Retirement Systems	EEE-2	145
RETIREMENT SYSTEMS		
Statements of Plan Net Assets	U-1	146
Statements of Changes in Plan Net Assets	U-2	148
TRUST AND AGENCY FUNDS		
Combining Balance Sheet	V-1	150
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	V-2	152
Combining Statement of Changes in Assets and Liabilities	V-3	154
STATEMENTS OF GENERAL LONG-TERM OBLIGATIONS.....	W-1	156
GENERAL FIXED ASSETS		
Comparative Schedules of General Fixed Assets by Source	X-1	158
General Fixed Assets by Function and Activity	X-2	159
Changes in General Fixed Assets by Function and Activity.....	X-3	160
COMPONENT UNITS		
Combining Balance Sheet	Y-1	162
Combining Statement of Revenues, Expenditures, and Changes in Fund Equity.....	Y-2	166
Combining Statement of Revenues, Expenses, and Changes in Equity.....	Y-3	168
Combining Statement of Cash Flows	Y-4	169

III. STATISTICAL SECTION

Table

General Governmental Revenue — by Source - Last Ten Fiscal Years	1	172
General Governmental Expenditures — by Function - Last Ten Fiscal Years.....	2	172
Property Tax Levies and Collections — Last Ten Fiscal Years	3	174
Adjusted Tax Levies and Tax Collections by Levies — Last Ten Fiscal Years.....	4	174
Assessed and Estimated Actual Value of Taxable Property —Last Ten Fiscal Years.....	5	176
Property Tax Rates and Levies — All Overlapping Governments - Last Ten Fiscal Years	6	177
Special Assessment Additions and Deductions — Last Ten Fiscal Years	7	178
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita —		
Last Ten Fiscal Years	8	179
Legal Debt Margin	9	180
Direct and Overlapping Debt	10	181
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General		
Expenditures — Last Ten Fiscal Years	11	182
Revenue Bond Coverage - Last Ten Fiscal Years	12	183
Real Property Value, Construction Permits and Bank Deposits — Last Ten Fiscal Years.....	13	184
Ten Largest Taxpayers	14	185
Miscellaneous Statistics	15	186

TABLE OF CONTENTS

PHOTO CREDITS

	<u>Page</u>
Detroit 300 Seal (Courtesy of City of Detroit-Communications and Creative Services Department)	Cover
The Detroit Industry Frescoes (by Diego Rivera, Photo courtesy of City of Detroit-Communications and Creative Services Department)	Inside front cover
Photo of Fort Wayne (Photo courtesy of City of Detroit-Communications and Creative Services)	viii
The Great Fire (Photo courtesy of City of Detroit-Communications and Creative Services)	I-14
Bird's Eye View of the City of Detroit (Photo courtesy of City of Detroit-Communications and Creative Services)	I-14
(Hog Island) Belle Isle (Photos courtesy of City of Detroit-Communications and Creative Services) ..	3
The Underground Railroad (Photo by Donald M. Swartz, Courtesy of First Congregational Church of Detroit)	62
Campus Martius (Photo courtesy of City of Detroit-Communications and Creative Services Department)	96
Detroit's Old City Hall (Photo courtesy of City of Detroit-Communications and Creative Services)	100
Detroit Public Library (Photos courtesy of Detroit Public Library and James Evenhuis, Volunteer Archivist, Detroit Public Library-Burton Collection)	107
James Vernor/Elijah McCoy (Photo courtesy of Detroit Public Library-Burton Collection)	110
Kresge Discount Store (Photo courtesy of City of Detroit-Communications and Creative Services)	129
The Detroit Fire Department (Photo courtesy of City of Detroit-Communications and Creative Services Department)	137
The Michigan Stove Company (Photo by Glen Calvin Moon)	137
Detroit College for Creative Studies (Photo by Balthazar Korab and Glenn Triest, Courtesy of Detroit College of Creative Studies)	142
Detroit People Mover (Photo courtesy of Detroit People Mover)	147
2001 Detroit's 300 Celebration ((Photos courtesy of City of Detroit-Communications and Creative Services Department)	170
2001 Detroit's 300 Celebration (Photos courtesy of City of Detroit-Communications and Creative Services Department)	171
Mayor Kwame M. Kilpatrick (Photo courtesy of City of Detroit-Communications and Creative Services Department)	188

DETROIT 300

DETROIT THROUGH HISTORY (1701-2001)

18th Century

- 1701 *Detroit was founded by Antoine de la Mothe Cadillac as a fur-trading center.*
- 1702 *Cadillac built a chapel in honor of Ste. Anne. St. Anne Church is the oldest church in Detroit. Fur traders and native Americans arrive in a canoe heavily laden with beaver's pelts.*
- 1763 *Chief Pontiac almost succeeded in defeating the British in Detroit.*
- 1796 *Detroit became an U.S. city as land was handed over by the British to the Americans after the Revolutionary War.*

19th Century

- 1805 *Detroit burned to the ground.*
- 1806 *Detroit was incorporated as a city.*
- 1824 *The first mayor, John R. Williams was elected.*
- 1837 *Michigan was admitted to the Union as the 26th state and Detroit became an important station on the Underground Railroad.
The Board of Education opened its first schoolhouse.*
- 1848 *Detroit's oldest labor union, the Detroit Typographical Union, was formed.*
- 1851 *Hog Island was officially renamed Belle Isle after Lewis Cass' daughter, Belle.*
- 1864 *Sailing Vessels served Detroit from the late 18th to early 20th century.
Campus Martius built, as a military parade, ground in the 1700's, was a thriving public market a century later.*
- 1871 *Detroit's old City Hall erected in 1871 and demolished in 1961.*
- 1872 *Elijah McCoy, an African American inventor, patents the automatic locomotive lubricator, which was so good that railroad men asked for "the real McCoy."*
- 1879 *Belle Isle opened as a public park.*
- 1889 *The Hammond Building, Detroit's first skyscraper, was built.*
- 1890 *Detroit built more ships than any other American city.*
- 1890's *David Whitney mansion, built in 1890's as the residence of a lumber baron, now an elegant restaurant on Woodward Avenue.*
- 1896 *Charles Brady King introduced Detroit's first automobile. Three months later, Henry Ford completed his first car, the Quadricycle.*
- 1897 *Sebastian S. Kresge opened his first dime store, which grew into Kmart.*

20th Century

- 1903 *Ford Motor Company formed.*
- 1908 *The Model T was introduced by Henry Ford. It became the first low-priced mass-produced automobile with standard interchangeable parts.*
- 1908 *General Motors formed.*

DETROIT THROUGH HISTORY (1701-2001)

20th Century

- 1929 *The Ambassador Bridge opened.*
- 1900-1930 *The automotive industry caused Detroit's population to quadruple.*
- 1930 *The Detroit-Windsor tunnel opened.*
- 1934 *Wayne University was formed and renamed Wayne State University in 1956.*
- 1935 *The United Automobile Workers of America (UAW) was formed.*
- 1936 *The Detroit Tigers won the World Series.*
- 1940's *Detroit was called the "Arsenal of Democracy," producing one-fifth of the nation's armament during World War II.*
- 1947 *Detroit's first commercial television station, WWJ-TV, started broadcasting.*
- 1954 *The nation's first shopping mall (Northland Center) opened in nearby Southfield, Michigan.*
- 1960 *Detroit's first major convention center, Cobo Hall (now Cobo Conference/Exhibition Center) opened.*
- 1961 *Motown became Hitsville USA, with Detroit talents. The Supremes and Stevie Wonder captured the hearts of the generation in the 1960's.*
- 1974-1994 *Coleman A. Young became the first African American mayor and the longest serving chief executive of Detroit.*
- 1977 *The Renaissance Center, the largest office complex in Michigan, was opened.*
- 1987 *The Detroit People Mover, an elevated train system, began operations.*
- 1994 *Dennis W. Archer was elected Mayor*
- 1999 *Construction began on Ford Field, the new home of the Detroit Lions in downtown Detroit.*

21st Century

- 2000 *Construction began on a 137-acre Park and office retail complex in the downtown Campus Martius area. Comerica Park, the new home of the Detroit Tigers, opened in downtown Detroit.*
- 2001 *Detroit celebrates its 300th birthday.
A Chrysler assembly line reflects the technology of the early 1990's.*
- 2001 *Kwame M. Kilpatrick was elected Mayor, the youngest African American elected mayor.*

DETROIT 300

1701-2001

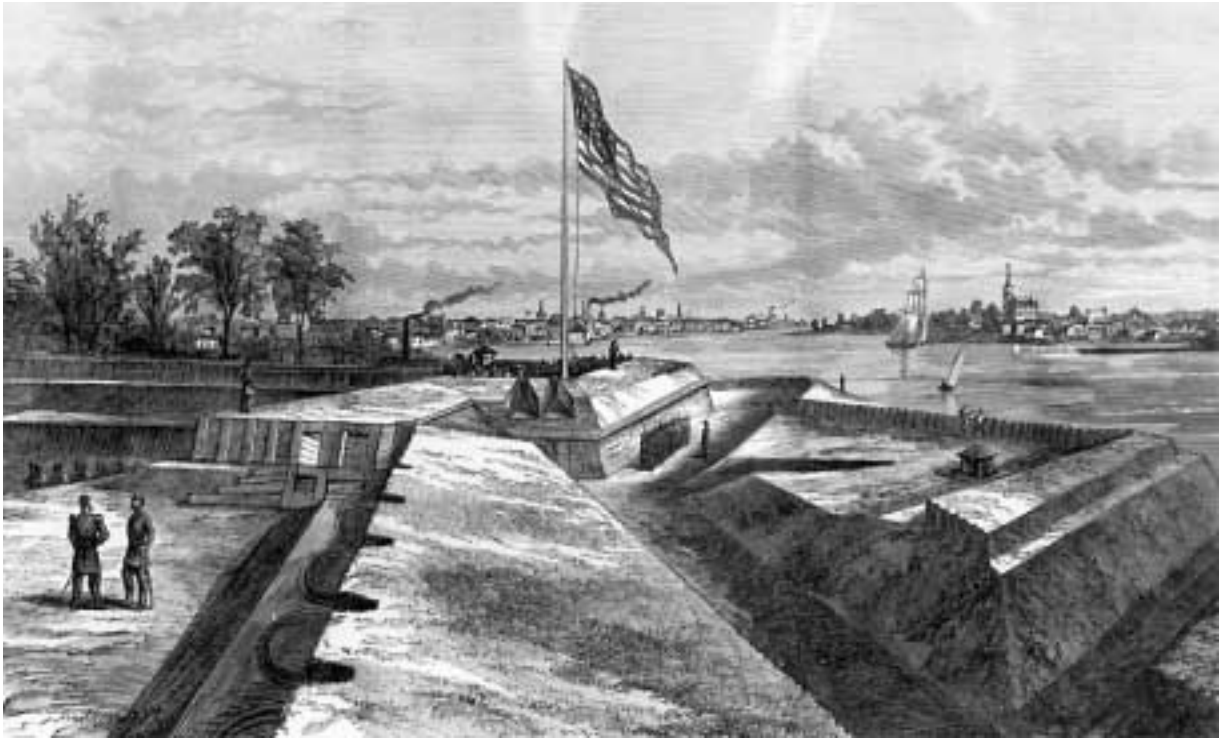


Photo of Fort Wayne

Photo courtesy of City of Detroit — Communications and Creative Services Department

1701

Detroit was founded by Antoine de la Mothe Cadillac as a fur-trading center. Fur traders and native Americans arrived in canoes heavily laden with beaver pelts. Cadillac begins building the fort. The French built houses close together on narrow streets, about 70 to 80 houses, inside the fort. There was also a barracks and St. Anne's Church, now the oldest church in Detroit inside the fort.